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NEARLY ELEVEN THOUSAND COOPERATIVE ASSOCIATIONS LISTED

Ten thousand, eight hundred and three farmers' business organizations of all kinds, types and sizes, were listed with the United States Department of Agriculture at the close of 1925. This number lacks but 45 of being double the number listed in 1915 when the first nation-wide survey of cooperative associations was made.

The total number of active associations, including those which have reported to the Department of Agriculture and those which have not, is estimated at twelve thousand. These figures are for business associations, those selling farm products, buying farm supplies, operating creameries, cheese factories, canning plants, grain elevators, stockyards, warehouses, or rendering some one or more of the essential services connected with the conduct of the farmers' enterprises. The figures do not include farmers' cooperative banks, credit associations, nor insurance companies.

Fifty-four of the associations listed are federations with local units, 49 are sales agencies operating in central markets, 35 are bargaining associations, and 38 are large-scale organizations of the centralized type.

Of the total number of associations listed, 3,325 are primarily engaged in the marketing of grain, 2,197 in handling dairy products, 1,770 in shipping livestock, 1,250 in marketing fruits and vegetables, 121 are performing various functions in the marketing of cotton, 91 in marketing wool, 71 in marketing poultry or poultry products, and 24 in marketing tobacco.

Over seventy per cent of all the associations are in the twelve North Central States. Approximately six per cent of the total number are in the three Pacific Coast States, and less than three per cent are in the five New England States.

The largest number of associations reporting from any one state is 1,383 from Minnesota. Iowa is credited with 1,004 associations, Wisconsin with 1,035, and Illinois with 821. The numbers reporting from some of the other states are: Missouri, 537; Nebraska, 428; Kansas, 466; California, 350; New York, 286.

The grain marketing associations are largely in the twelve North Central States, as are also the greater number of the livestock shipping associations. The organizations engaged in the marketing of dairy products are scattered through the forty-eight states with a fair percentage of the total number in Minnesota and Wisconsin.

A DEMONSTRATION STORE FOR SUNKIST PRODUCTS

One of the features of the program of the California Fruit Growers' Exchange, Los Angeles, Calif., for increasing the demand for Sunkist oranges and lemons is a demonstration store at Atlantic City. The store was opened on Easter Sunday and at the close of the fiscal year, October 31, had served 268,047 customers. Its best record for any one month was for August when 81,056 glasses of fruit juice were served. The best daily records were for July 4 and 5 when 5,002 and 5,304 drinks, respectively were served. The average daily servings for the 202 days that the store was open, was 1,327 glasses. The store is equipped with six extractors, and during the 202 days, 1,300 boxes of fruit were used, slightly over three car loads.

In addition to serving Sunkist drinks the management sold a number of Sunkist juice extractors and a number of Sunkist fountain units. The store is being kept open during the winter in order that no opportunity may be missed for bringing Sunkist products to the attention of the thousands who visit Atlantic City.

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MICHIGAN GRAPE ASSOCIATION FUNCTIONING FOR TWENTY-SIX YEARS

Owing to the fact that the yield of grapes in Michigan in 1925 was only about one-tenth of a normal crop, the Southern Michigan Fruit Association, Lawton, Mich., shipped but 123 cars, compared with 911 for the 1924 season. The average sales price per car, however, was \$1,084 against \$675 in 1924. Expenses for the 1925 shipments were \$6,348, and for the 1924 shipments \$8,511. Total sales for the past season were \$123,316, of which amount ten per cent was deducted for expenses. One-half of this deduction is now being paid to growers as a patronage refund.

Shipments by the association since 1922 have been as follows: 1922, 1,194 cars; 1923, 632 cars; 1924, 911 cars; 1925, 123 cars. The association was organized in 1899 and during its earlier years shipped many cars, the largest number in a single season being 1,900 cars in 1910.

The supply department of the association reported net sales of \$35,488 for 1925, compared with \$112,382 for the preceding season. Expenses of operating the supply department were \$4,565, which was a decrease of nearly \$2,000 from the year before.

Membership during 1925 increased from 441 to 497. Of this latter number 483 have signed contracts whereby they agree to deliver their crops of table grapes to the association for a period of three years. Owing to the short crop of 1925 but 282 members delivered grapes to the association.

Shipments are made from six railway stations. The cost of loading varied in 1925 from \$1.79 a car at the home station, where 42 cars were loaded, to \$7 a car at four outlying stations from which smaller numbers of cars were shipped.

WENATCHEE FRUIT ASSOCIATION DISTRIBUTES MONEY FROM CLAIMS

A few weeks ago the management of the Wenatchee District Cooperative Association, Wenatchee, Wash., sent out checks to members representing their participation in the railroad claim pools in connection with the marketing of the 1923 and 1924 apple and pear crops. The rate per box varied from less than one cent to twenty-seven cents. In three years the management of the association has collected claims amounting to more than \$117,000.

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INCREASED BUSINESS FOR ALABAMA TRUCK GROWERS

Growth of business of the Jefferson County Truck Growers' Association, Birmingham, Ala., is shown by recently published figures for the past three years. In 1923 the total was \$6,039; in 1924, \$21,825; and in 1925, \$29,090, not including the month of December. This organization is engaged in furnishing marketing facilities for its members and in buying supplies. It handles fertilizer, seeds, baskets, crates, twine, insecticides, and other supplies for its members. It has a membership of 272. Savings on purchases during 1925 are given as \$5,286.

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ILLINOIS FRUIT EXCHANGE HANDLES MANY CROPS

In 112 working days the units of the Illinois Fruit Growers' Exchange, Centralia, Ill., shipped from 35 stations in 22 counties 428 cars of produce to 105 markets in 25 states. The commodities handled included apples, peaches, pears, strawberries, tomatoes, asparagus, beans, cabbage, rhubarb, radishes, potatoes, cucumbers, peppers, sweet corn, cherries, raspberries, blackberries, beets, carrots, eggplant, onions, spinach, squash, and turnips.

Ninety-five cars were loaded with produce in bulk, 192 with baskets, 36 with barrels, 52 with crates, 18 with hampers, and 14 with produce in mixed packages. The total number of packages was 157,442.

Sales on an f.o.b. basis were approximately \$286,000, of which amount \$270,914 was net to growers. Deductions for operating expenses were a trifle over \$15,000. Total exchange income for the 1925 season is reported as \$16,003 and expenses \$14,891, leaving \$1,112 to be carried to the surplus account which on December 31 showed a credit balance of \$5,056.

The 23 local units of the Exchange have about 900 members.

ACTIVITIES OF A CALIFORNIA CITRUS FRUIT ASSOCIATION

In consequence of the activity of the secretary and manager of the Anaheim Citrus Fruit Association, one of the units of the California Fruit Growers' Exchange, Los Angeles, the membership of the unit is supplied with full and detailed information regarding the business of the organization. In addition to complete mimeographed reports issued as the various pools are closed, the secretary prepares comprehensive annual reports and distributes copies to the members prior to the annual meeting. The report for the business year 1924-25, ending October 31, 1925, consists of 24 printed pages and a cover. It contains a wealth of information regarding the business transactions of the association. Some of the more important facts given have been summarized in the following paragraphs:

The Anaheim association began functioning during the season of 1918-1919. The volume of its business as measured in number of carloads (400 boxes) shipped, total receipts from all sources, and net returns to growers for oranges, for the several business years is given below:

Season	: Cars	: Receipts	: Net returns
	: shipped	: (all sources)	: to growers a/
1918-19	: 311	: -----	: \$466,126
1919-20	: 578	: -----	: 799,605
1920-21	: 949	: \$1,390,644	: 951,504
1921-22	: 561-1/2	: 1,150,966	: 877,482
1922-23	: 655-1/2	: 747,200	: 551,010
1923-24	: 846	: 975,260	: 766,789
1924-25	: 525	: 1,155,436	: 853,748

a/ Not including refunds.

At the close of the seventh year the association had 269 active members with 2,729 acres of citrus groves. They delivered to the association 323,941 "loose" boxes of oranges which made 209,836 packed boxes after the culls were removed. Nearly 95 per cent of the total shipments were Valencia oranges.

It is reported that the average receipts by growers for the season was \$2.86 net per "loose" box or \$4.60 net per packed box. In addition, growers have been paid over \$17,000 for culls, with additional amounts due for culls sent to the Exchange Orange Products Company, of which the association is a stockholder.

The activities of the association included the purchase of fertilizer, seeds for cover crops, the fumigation of the orchards, picking of the fruit, hauling to packing house, grading, packing, and loading the packed boxes for shipment. These various functions were performed for 1924-25 with disbursements that were under \$200,000.

All service is furnished at cost. Refunds made during the year amounted to \$63,306. The association is a stockholder in the Fruit Growers' Supply Company as well as the Exchange Orange Products Company.

INCREASED BUSINESS FOR IOWA ELEVATOR INSURANCE COMPANY

Total insurance in force at the end of 1925 by the Farmers' National Cooperative Elevator Mutual Insurance Association of Iowa, Fort Dodge, is reported as \$4,188,357, a net increase in the year of \$132,625. During 1925 insurance to the amount of \$1,385,610 was written, of which \$1,211,300 was in five-year policies. Business is handled at actual cost to members and the expenses over a period of five years has been very low. Disbursements for the year amounted to \$17,712, including loss paid of \$14,616. The net worth of the association is given as \$38,423.

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NEW CONTRACT FOR COLORADO WHEAT GROWERS

Members of the Colorado Wheat Growers' Association, Denver, Colo., are signing a ten-year marketing agreement. This agreement covers the years 1926-1935 inclusive. Provision is made for withdrawal on June 1 of any year after the delivery of one crop to the association. The right to cancel the contracts of unsatisfactory members is reserved by the association, provision being made for due notice of the proposed exercise of such right.

Liquidated damages are set at 25 cents a bushel. The contract provides for injunction to prevent breach of contract and for decrees of specific performance.

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A BIG ELEVATOR FOR INDIANA WHEAT GROWERS

A contract has been entered into by the Indiana Wheat Growers' Association, Indianapolis, whereby the association will have exclusive use of a 1,000,000 bushel grain elevator to be erected at Indianapolis. The contract covers a period of three years with an option to release upon the same terms as for the original period or to purchase at the cost of construction and equipment. The association agrees to use 1,000,000 bushels of storage space for six months or its equivalent at a charge of one-twenty-fifth of a cent a bushel a day.

The elevator is to be of steel and concrete construction with eighty bins and fifty-two tanks. It will occupy a ground space of 44 x 260 feet and will have a height of 128 feet. A recently developed device for the prevention of dust explosions will be installed, also a set of recording thermometers which will record in the office the temperature in each bin.

INTERNATIONAL WHEAT CONFERENCE AT ST. PAUL

An International Wheat Conference has been called to meet at St. Paul on February 16.

It is reported that not only the wheat pools of the United States and Canada will be represented but the Australian pools also will send delegates.

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WHEAT POOLS IN WESTERN AUSTRALIA

At the annual meeting of the Cooperative Wheat Pool of Western Australia, held at Perth, August 12, 1925, it was reported that 9,418,683 bushels were included in the 1924-25 pool. Of this quantity 4,316,028 bushels were exported, 4,947,822 bushels were marketed at local sales and over 140,000 bushels remained unsold in warehouses. The trustees for the pool reported that the "net result to growers should be not less than 6s. 3/4 d. per bushel, less only rail freight." This amount would be about \$1.47 in United States money with exchange at par.

The 1923-24 pool included 7,279,249 bushels, of which 2,679,617 bushels were exported.

Agricultural Cooperation for January 5, 1925, p. 13, contains information regarding the 1923-24 pool.

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ANOTHER WHEAT POOL FOR AUSTRALIA

A voluntary wheat pool, the Victorian Wheatgrowers' Corporation, has been conducted for the past two years by the farmers of the State of Victoria, Australia, according to a consular report. Two large farmers' associations, the Gippsland and Northern, and the Victorian Producers, have acted as receiving agents for the pool. However, in November, 1925, these two cooperatives joined forces and formed a cooperative wheat marketing organization to operate in competition with the voluntary pool. The new company is known as the Cooperative Wheat Pool of Victoria, Limited. It has a capital of £20,000 in £1 shares, and a membership of about 25,000. It will be financed through the Commonwealth Bank of Australia.

Growers may have a choice of methods of disposing of their wheat; they may pool and obtain advances; they may warehouse until they wish to sell; they may sell for spot cash at time of delivery or at any subsequent time; or they may test the overseas market by a consignment of 500 tons or more.

The organized marketing of wheat by the cooperative companies operating in all the states of the Commonwealth, affiliated with the Australian Producers' Cooperative Association, will be conducted by the Overseas Farmers' Cooperative Federations, Limited, London.

BUFFALO COMMISSION ASSOCIATION ISSUES FINAL STATEMENT

The financial statement of the Producers' Cooperative Commission Association, Buffalo, N. Y., for the year 1925, shows the 2,240,789 animals were received by railroad at the stockyards, of which the association handled 433,234, or 22 per cent. This total was made up of 12,179 cattle, 45,553 calves, 233,327 hogs, and 144,175 sheep. Total value of livestock sold by this farmer-owned-and-controlled sales agency was \$10,675,531. The percentages of railroad receipts handled by the producers' association, by months, varied from 16.34 in July to 30.66 in November.

Revenue of the cooperative association for the year was \$56,065, of which \$30,065 was commissions for handling livestock. The operations of the cattle department resulted in a loss of \$1,692, while the profits in the calf department came to \$2,374; in the hog department, \$10,649; and in the sheep department, \$2,243, making the total gain for the year, \$13,574. Net worth of the association on December 31, 1925, was \$23,271.

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PATRONAGE REFUNDS BY ST. JOSEPH LIVESTOCK SALES AGENCY

Patronage refunds amounting to \$93,543 are to be returned to shippers by the Farmers' Union Live Stock Commission, St. Joseph, Mo., on the business handled during 1925. This refund represents 54 cents out of every dollar deducted as commission. The average commission collected per car was \$18.21 and the average handling cost was \$6.37.

A smaller number of animals was handled by the association during 1925 than for either of the two preceding years. This was because of small receipts at the stock yards. The amount of business transacted as measured in dollars, however, was the largest in the history of this sales agency.

The growth of the enterprise during the past four years is indicated by the following figures for sales and purchases:

Year :	Cars : handled	/a : :	Number of : animals	: :	Value of : animals	: :	Patronage : refunds
1922 :	8,240	:	558,511	:	\$11,304,663	:	\$ 56,610
1923 :	12,360	:	343,102	:	15,410,314	:	138,661
1924 :	11,990	:	792,339	:	15,033,554	:	130,246
1925 :	9,323	:	536,399	:	13,128,167	:	93,543

/a Including animals delivered by truck.

The percentages of commissions returned as patronage refunds for several years were: 1922, 60 per cent; 1923, 66 per cent; 1924, 61 per cent; 1925, 54 per cent.

CREDIT CORPORATION FOR LIVESTOCK GROWERS

The Farmers' Union Credit Association, St. Joseph, Mo., has been organized and is now giving members the privilege of obtaining money on feeding cattle through their own agency at a reduced rate of interest. Forty-three loans have been negotiated, aggregating nearly \$100,000.

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REFUNDS FOR MICHIGAN LIVESTOCK SHIPPERS

A patronage refund of \$10,000 was made by the Michigan Live Stock Exchange, Detroit, in May of 1924. At the same time, \$8,555 of earnings was carried to working capital. A report issued by the management of the exchange under date of January 15, states that the board of directors had voted a refund of 13 per cent on all commissions paid during the past twenty months. This refund amounts to \$16,250. In addition to voting the refund the directors transferred a substantial sum from earnings to the reserve account.

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OMAHA LIVESTOCK SALES AGENCY REPORTS EARNINGS

A comparative statement for the five years ending with 1925, has been issued by the management of the Farmers' Union Livestock Commission, Omaha. The statement shows that 48,852 cars of livestock were handled and that the number of animals of each kind received was: cattle, 306,101; hogs, 2,370,121; sheep, 180,358; total, 2,856,580. The income, consisting of commissions and interest on deposits, was \$700,193 for the five years, and the expenses for the same period were \$249,986, leaving \$450,207 as net income, the greater part of which has been returned to the shippers as patronage refunds. (For detailed figures for the years 1917 to 1924, see Agricultural Cooperation for May 25, 1925, p. 217.)

The 1925 business included the handling of 10,867 cars of livestock, consisting of 69,060 cattle, 479,944 hogs and 47,956 sheep, making a total of 596,960 animals, compared with 748,162 animals handled in 1924.

Total income for 1925, based upon commission charges which were only about one-half those of 1924, were \$79,021. Total expenses were \$53,059, and earnings, after crediting interest earned, were \$29,174.

It is stated that the decrease in number of animals handled in 1925 was due to decreased receipts at the Omaha stock yards. This farmer-owned-and-controlled sales agency handled a larger percentage of total receipts at the yards than in 1924.

Average operating expenses per car for the past five years are reported by the management as follows: 1921, \$6.13; 1922, \$5.63; 1923, \$4.75; 1924, \$4.69; 1925, \$4.37.

FARMERS' COOPERATION OF LIVER STOCK SALES

The Farmers' Union Cooperative Stockyards Company, Lexington, Ky., which operates the local stockyards, reports the handling of 53,512 animals during 1925, classified as follows: cattle and calves, 16,110; hogs, 13,700; sheep, 23,702. Total sales for the year amounted to \$931,143.

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BIG LIVESTOCK SALES BY ADAMS COUNTY ASSOCIATION

Market returns to the Adams County Shippers' Association, Quincy, Ill., in 1925 were the highest in five years although the number of animals handled was not so large as for several previous years. Market returns were \$1,154,112 and shippers were paid \$1,142,196, or approximately 99 per cent. This was a larger payment to shippers than would have been possible but for the fact that small profits were made on handling potatoes, feeders, serum and virus, and there was also a small income from interest on savings, and a patronage refund from the cooperative sales agency operating on the East St. Louis terminal market.

This association functions as a county-wide association. Shipments are made from thirteen points at which local managers attend to the loading of the animals delivered. The accounting is handled in the central office. Nearly ninety per cent of the total business is the shipping of hogs.

Local shipping expenses for 1925 amounted to \$16,159, made up largely of commissions to station managers, \$4,359; commissions to county manager, \$1,707; bookkeepers, \$1,270; and claims, \$5,366.

The growth of this enterprise is told with a fair degree of completeness by the figures in the following table:

Year	: Number	: Animals		: Market	: returns	: Net to producers	
		: of cars	: Number : Index			: Amount	: Per cent
1919	/c	101	: 7,679: 17	:	\$211,640:	\$210,730	: 99.3
1920		610	: 44,525: 100	:	1,200,067:	1,187,450	: 98.9
1921		795	: 59,775: 134	:	1,212,051:	997,516	: 93.6
1922		653	: 47,250: 106	:	909,379:	597,577	: 93.6
1923		689	: 53,247: 120	:	536,425:	522,421	: 93.3
1924		640	: 47,620: 107	:	641,045:	327,132	: 93.3
1925		621	: 44,556: 100	:	1,154,112:	1,142,196	: 98.9

/a F.o.b. shipping point.

/b Per cent of sales.

/c September to December.

The association closed the year on December 31 with a net worth of \$7,527.

ALBERTA DAIRY POOL BEGINS OPERATIONS WITH NEW YEAR

Plans for the operation of the Alberta Dairy Producers' Association, Edmonton, Alta., include the division of the territory so that each member creamery will have its own district, thus eliminating competition. One-half million pounds of butter per year is the minimum quantity a creamery must produce before it is eligible to operate as an association creamery. Both of these measures are in the interest of economy as the purpose of the pool is to secure better prices for the producers, not by higher prices to the consumers but by eliminating duplication and expensive competition. Several thousand members are now enrolled and gratifying progress has been made in certain sections in arranging with large creameries to operate for the association while negotiations are proceeding at various other points. The pool began operating on January 1 and the annual meeting was scheduled for January 26 at Edmonton.

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ORLEANS COOPERATIVE CREAMERY A PROFITABLE ENTERPRISE

Net profits amounting to \$193,093 are reported by the management of the Farmers' Equity Cooperative Creamery Association, Orleans, Nebr., since it began operating in 1917. Of this amount, \$117,929 was returned to the producer members as stock and patronage dividends. During the nine years, 10,912,297 pounds of butter were made. On November 30 last, the assets of the association were \$167,925 and the liabilities, aside from capital stock and surplus, were but \$16,875. Capital stock outstanding on November 30 totaled \$80,264 and surplus \$70,785. Real estate, machinery and equipment were valued at \$76,568.

Figures showing the growth of this enterprise during the nine-year period are given in the following table:

Year :	Butter made		Net	Net Worth	
ending :			profit		
Nov. 30:	Amount	Index:		Amount	Index
	(Pounds)				
1917 :	334,257 :	100 :	<u>/a</u> \$7,418 :	\$3,411 :	100
1918/ ^b :	315,206 :	82 :	8,518 :	12,305 :	361
1919 :	929,055 :	242 :	19,365 :	41,669 :	1222
1920 :	1,065,607 :	277 :	10,227 :	50,017 :	1466
1921 :	1,267,733 :	330 :	23,001 :	76,395 :	2240
1922 :	1,555,074 :	405 :	32,279 :	96,425 :	2827
1923 :	1,533,041 :	399 :	25,548 :	105,571 :	3095
1924 :	1,630,144 :	440 :	19,916 :	111,860 :	3260
1925 :	2,172,160 :	565 :	55,753 :	151,050 :	4426

/a Loss.

/b Six months.

CHALLENGE SALES AGENCY ENJOYS INCREASE IN BUSINESS

A year ago the manager of the Challenge Cream and Butter Association, Los Angeles, said, "Let quality and cooperation be our watchwords." This year he says in his annual report, "Cooperation stands for quality, as nothing will hold our business like quality." During the twelve months of 1925 the association, which is a cooperative sales agency for twelve creameries, handled 12,726,239 pounds of butter, 1,493,396 pounds of cream and whole milk, 1,915,423 pounds of sweetened condensed skimmed milk, 300,000 pounds of milk powder, 337,256 pounds of cheese, 2,004,456 dozens of eggs, and smaller quantities of other products.

Its sales totaled \$11,520,341 including member and non-member business. The agency paid to the member creameries, \$9,065,990. It is stated in the annual report that the cost of doing business was 3.16 per cent of sales. Losses and doubtful accounts for 1925 amounted to 11 cents on each one thousand dollars of business.

This enterprise operates in Los Angeles, San Diego and San Francisco, having started in the latter city during the past year. Its growth as a business enterprise is indicated by the following figures:

Year	Butter handled		Total sales	Gross paid
	Pounds	Index	(all products)/a	to creameries
1913	1,756,664	100	\$700,000	-----
1914	2,322,185	132	300,000	\$696,776
1915	2,974,726	169	-----	-----
1916	3,192,036	182	-----	-----
1917	3,261,613	187	-----	-----
1918	3,295,264	188	-----	-----
1919	3,532,420	204	-----	-----
1920	4,537,305	253	3,310,224	2,317,515
1921	6,352,494	390	3,658,176	3,097,565
1922	9,361,295	534	5,011,591	4,766,167
1923	12,476,029	710	7,735,719	6,537,032
1924	^{/b} 15,266,401	869	9,099,130	7,625,693
1925	^{/c} 18,726,239	1066	11,520,341	9,065,990

^{/a} Butter, cream, whole milk, condensed milk, skim milk powder, cheese, eggs.

^{/b} Including 2,176,169 pounds from non-members.

^{/c} Including 4,071,271 pounds from non-members.

On December 31 the assets of the association were over \$300,000. Approximately \$210,000 of the total represented membership certificates of interest and revolving capital. Outstanding certificates of interest at the close of 1925 amounted to \$111,052 and the revolving capital fund showed a credit balance of \$102,571.

TULARE POULTRY ASSOCIATION OPERATES ON SIX PER CENT COST

Business conducted by the Tulare Cooperative Poultry Association, Tulare, Calif., in 1925, amounted to \$367,200, and was done at an overhead cost of \$21,200, or less than six per cent. More than 16,000 cases of eggs were marketed for something over \$165,000; poultry brought an additional \$52,000; and baby chickens, \$10,000. Feed and supplies to the amount of \$137,000 were handled. Operations for the month of December showed an increase of 50 cases of eggs over December of 1924, and sales of poultry for the month came to nearly \$6,000.

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POULTRY AND EGGS MARKETING IN MANITOBA

"Rapid and extensive growth" during the past year, is reported by the Manitoba Cooperative Poultry Marketing Association, Limited, Hartney, Manitoba. Turkeys, chickens, ducks, and geese are handled, alive and dressed, as well as eggs. The table below indicates the growth since organization:

Year:	<u>Dressed poultry</u>			<u>Live poultry</u>			<u>Eggs</u>		
	Pounds	Cars	Value	Pounds	Cars	Gross	Cases	Cars	Gross
	net			net		Receipts:			Receipts
1922:	116,351:	5	\$40,000:	-----	-	-----	---	--	-----
1923:	566,355:	30	107,262:	21,562:	3	\$ 2,659	---	--	-----
1924:	333,240:	19	98,411:	32,623:	2	4,012	4,312:	11	\$ 33,452
1925:	653,742:	40	193,000:	107,346:	9	13,247	19,008:	48	156,907

Handling of eggs was first undertaken in 1924. It will be noted that more than four times as many cars were shipped the second year as in the first. Great care is taken of the product at every step, with the result that satisfactory prices are reported.

Dressed poultry was shipped from 9 points in 1922; from 24 in 1923; from 32 in 1924; and 54 in 1925. Demands for the extension of the marketing service are being received from every part of the province. The association attributes its success to the modern, economical and efficient system it has developed for administering its business and marketing its products. Its membership has increased during the last four years. It was 719 in 1922; 2,245, in 1923; 3,015 in 1924; and 5,600 in 1925.

ARKANSAS COTTON ASSOCIATION ADVERTISING IN LOCAL PAPERS

A recently published pamphlet by the Arkansas Cotton Growers' Cooperative Association, Little Rock, Ark., contains 15 of the advertisements which the association has been running in local weekly papers. The ads. have been written with the purpose of advising members and non-members of the aims of the association and the benefits that may be expected to result from loyal support to the organization.

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TENNESSEE COTTON ASSOCIATION RECEIVING MEMBERS AGAIN

As many growers have been making application to join the Tennessee Farm Bureau Cotton Association, Memphis, the directors decided to open the membership books on February 1 and accept new members for the remaining two years of the contract. Members coming into the association now will not be permitted to pool their 1935 cotton as the pools are nearly closed. Any cotton delivered by new members will be handled in separate pools. The books have been closed to new members since October 1. The budget for the 1935-36 season was made up on the basis of delivery of 20,000 bales and up to the present time 13,000 bales have been received with some more coming in every day.

Credit groups are being formed in the different counties. These local groups will pass upon applications for production credit from members in their territory.

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NEW BULLETIN TELLS ABOUT COTTON MARKETING

"Cooperative Marketing of Cotton" is discussed in all its phases by G. O. Catlin in U. S. Department of Agriculture bulletin No. 1392, recently issued. The bulletin is based on a study of the fifteen large cotton marketing associations with a membership of over 280,000 growers, handling about 10 per cent of the crop. The background of the movement is considered first, then the contemporary organizations are described, each in turn, followed by a description of the American Cotton Growers' Exchange, the overhead organization which serves a number of the state associations. Principles and policies, methods and practices, costs and prices, are all considered. Various charts and photographs illustrate the text. Copies of this bulletin may be obtained on application to the Division of Agricultural Cooperation, Department of Agriculture, Washington, D. C.

TEXAS HONEY PRODUCERS ARE ACTIVE

Gross receipts by the Texas Honey Producers' Association, San Antonio, for the year ending November 30, 1925, were \$98,302. At the close of the year outstanding capital stock and surplus amounted to \$28,222. This association was formed in 1916 and now has a membership of 457.

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BUSINESS OF MINNESOTA WOOL GROWERS DOUBLED

Wool of the 1925 clip was still being received by the management of the Minnesota Cooperative Wool Growers' Association, Wabasha, Minn., on January 25, 1926. On that date the association had approximately 60,000 pounds of unsold wool, and had sold over 450,000 pounds.

A statement issued by the manager under date of January 14, 1926, gives the number of paid up members as 1,000, the number of patrons as 1,674, wool receipts to January 9 as 533,606 pounds, and sales as \$209,082. This is about twice the quantity handled last year.

A small folder giving information of value to wool producers has been prepared by the manager and is being distributed to the members of the association.

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ARKANSAS RICE GROWERS ADOPTING TEN-YEAR CONTRACT

As the 1926 rice crop is the last one covered by the present contract of the Arkansas Rice Growers' Cooperative Association, Stuttgart, a campaign to secure renewals and new members has begun. The move for reorganization came from the membership. After full consideration it was decided to make the new contracts for ten years. One important reason for this provision was that the plans for the new organization include ownership of mills and the longer term will provide for the distribution of the necessary expense over a period of years, while it might work hardship if less time were given.

Teams of five members from each district have been organized and are working with members and non-members, each team in its own way. It is stated that a weeding-cut process has begun and that the teams are passing by some members who have proved themselves unworthy and undesirable, and that "a new organization is in the making that promises to be bigger and stronger in every way than before."

HONEY AND EGG POOLS PROPOSED IN AUSTRALIA

Votes were being taken in Queensland, Australia, the latter part of 1925 relative to the establishment under government supervision of a honey pool and the continuation for a second two-year period of the egg pool.

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RUMANIAN PEASANTS DEVELOPING COOPERATIVES

A report from Bucharest, Rumania, tells of the beginnings of a cooperative system among the peasants of that country. Since the government expropriated the agricultural lands and divided them, the peasants have attained a new status as proprietors. Their holdings are small and they lack technical knowledge of processes of production and marketing. These factors have led to an increase in the number of societies from 71 in 1921 to 659 in 1924. While the movement is still poorly organized, it is believed that with government aid it will be possible to accomplish much for the peasants. Among the objectives are the following: Centers for the dissemination of agricultural information; maintenance of communal supplies of machinery and fertilizers; joint marketing systems; collective use of transportation; breeding stations for horses and cattle; agricultural libraries; hot houses and nurseries for seed and plant experimentation; stations for sorting and grading cereals.

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AUSTRALIAN COOPERATIVES ARE FEDERATING

Primary Producers' News, Sydney, New South Wales, in the issue of December 17, 1925, announces the merging of the Coastal Farmers' Cooperative Society, Ltd., with the Derrima District F. and D. Co., Ltd., into an organization to be known as the Producers' Distributing Society, Limited. It is stated that as a result of the merging, "we have a cooperative distributing society with a turnover incomparable by reason of its magnitude with that of any other institution of like nature in the Southern Hemisphere, and with trade tentacles spread over the length and breadth of the state."

The Coastal Farmers' Cooperative Society, Ltd., was described in considerable detail in Agricultural Cooperation for December 7, 1925, p. 507.

It is further announced that the Primary Producers' News "becomes the official mouthpiece of the cooperative movement in New South Wales." It has been heretofore the official organ for several cooperative enterprises. The field of activity of the publication is to be enlarged in order to serve the membership of the new Producers' Distributing Society.

FINANCING PERMANENT EQUIPMENT

Securing funds for the purchase of equipment presents a real problem to many cooperatives. Judging by the frequency with which it has been employed, the most popular method is what might be called "deficit financing."

Under this plan, the funds are obtained by borrowing, either by pledging the personal credit of all members, of individual directors, or, in some cases, of the manager. Methods of making this pledge differ widely. One organization may borrow from a local bank, the money to purchase its plant, giving as security demand notes signed by individual members, and another may secure the necessary funds by giving an association note endorsed individually by the members of the board of directors. Funds for the payment of notes at maturity are obtained by deducting an agreed amount from the sale value of each member's product.

This method differs little from that used by private business, except perhaps in type of security and the details of accumulating the cash reserve to meet the maturing obligation. Its popularity among cooperatives probably is due largely to the plan of securing funds through small deductions from the sale value of the product, thus avoiding the necessity of individual members making relatively large cash outlays at a particular time.

The soundness of any plan of "deficit" financing can be determined only by an examination of the particular circumstances.

The purchase of needed equipment by this method may be justified as good business when the time of payment is short, relative to the length of life of the equipment, and an adequate depreciation reserve is built up so that credit financing need not be resorted to for replacing the facilities. It is doubtful, however, if the plan of using this method as a means of securing permanent capital can be justified.

There frequently arises a situation where new and improved facilities can be installed with considerable saving in the cost of particular processes. But, not having anticipated such changes, the concern has not provided adequate reserves to enable it to make the necessary investments. Credit (or deficit) financing, properly safeguarded, can be used advantageously, and satisfactorily. Too often, however, it is not properly safeguarded. Here is the opportunity for the management to exhibit sound business judgment, or the lack of it. There is a temptation to install the equipment, and reduce the operating charge to members, recovering the amount of the money borrowed by some form of assessment, spread over a long period of time. It would be much better business to apply the savings effected to the cancellation of the loan. Financial stability would be strengthened, cost of operation would not be increased, and the organization would be placed in a position to meet effectively possible lower processing costs by competitors should it become necessary.

A. V. Swarthout.

DARK TOBACCO GROWERS WIN IN INDIANA

On January 6, 1926, the Supreme Court of Indiana decided the case of the Dark Tobacco Growers' Cooperative Association vs. Baxter T. Robertson in favor of the association. The association was organized under the Bingham Cooperative Marketing Act of Kentucky. It brought suit against the defendant for liquidated damages of 5 cents per pound on 5,000 pounds of tobacco which Robertson sold outside the association in violation of his contract. The trial court sustained the demurrer of the defendant to the complaint of the association, thus holding that it had no cause of action, and the association then appealed.

The Secretary of State of Indiana is authorized to issue certificates to foreign corporations desirous of doing business in that state, but the Indiana law provides "that no corporation shall by this certificate of the Secretary of State be authorized to transact any business in this state for the transaction of which a corporation cannot be organized under the laws of Indiana." The defendant contended that a corporation could not be organized under the laws of Indiana with authority to enter into contracts similar to that involved and hence that the association was not entitled to maintain the suit. Apparently the trial court adopted this view but the Supreme Court held that under the Cooperative Marketing Act of Indiana, corporations could be formed thereunder with authority to enter into contracts like the instant one.

In attempting to maintain its right to prosecute the suit against the defendant, the association argued in the Supreme Court that it was engaged in interstate commerce and therefore that it was immaterial whether a corporation could be organized in Indiana with authority to enter into contracts like that in question. The court disposed of this contention by pointing out that the complaint was not drafted on the theory that the business in which the association was engaged in Indiana was interstate commerce. In this connection it said:

The fact that it applied to the Secretary of State for a license to transact business in this state would seem to be an admission that it was engaged in intrastate commerce and that it was necessary for it to have a license to carry on its business in this state. If the contract entered into had been a part of a transaction connected with interstate commerce such license would not have been necessary.

In answer to the contention that the association was a monopoly the court said:

In harmony with the public policy of this state as declared in the Gillaspy case and as crystalized by the legislature when it enacted the Cooperative Marketing Act in 1925, we hold appellant is not a monopoly or combination in restraint of trade and that the contract does not violate the anti-trust statute of state or nation and is not void as against public policy.

The following interesting quotation is taken from the opinion in this case: "Cooperative marketing of farm products appears to be a necessity. Its success, however, depends on the business sagacity and honesty of those in charge."

L. S. Hulbert

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LEGALITY OF "PUTS AND CALLS"

On January 11, 1926, the Supreme Court of the United States held the provisions of the Futures Trading Act of August 24, 1921, imposing a tax of 20 cents per bushel on every bushel of grain involved in transactions known to the trade as "privileges," "bids," "offers," "puts and calls," "indemnities," or "ups and downs," unconstitutional. The court reached the conclusion that the object of the tax in question was not revenue but prohibition. The reasoning of the court proceeded upon the theory that the taxation clause of the constitution could not be used for regulatory purposes, at least not when the so-called regulation amounted to a virtual or actual prohibition. The court said "The imposition is a penalty and in no sense a tax."

It may be suggested that if there were no limits with respect to taxation under the Federal Constitution, the Federal Government could under the guise of taxation exercise a dominant control over transactions of a local character, such as marriage and divorce. For similar reasons in the case of Hill v. Wallace, 259 U. S. 44, the Supreme Court of the United States held unconstitutional the provisions of the Grain Futures Act except the one involved in the instant case which was not then challenged. On account of this fact, Congress, on September 21, 1922, passed the Grain Futures Act based upon the interstate commerce clause of the constitution which act was held constitutional in the case of the Board of Trade of the City of Chicago v. Olsen, 262 U. S. 1. This is the statute under which the Secretary of Agriculture is now exercising supervision over the contract markets (Boards of Trade) which qualify thereunder.

L. S. Hulbert

COOPERATIVE CENTRAL EXCHANGE REPORTS INCREASED BUSINESS

With ninety-three cooperative stores as customers the Cooperative Central Exchange, Superior, Wis., a wholesale enterprise, reports sales of \$835,532 for 1925 an increase over 1924 of more than \$200,000. Its profits for the year were \$8,669 and its net worth at the close of the year was \$42,998. Share capital outstanding was \$27,278.

Profits from the several departments were: bakery, \$1,381; jobbing, \$3,894; wholesale, \$6,215. Losses connected with the operation of the auditing and educational departments were \$467 and \$2,155 respectively.

(See Agricultural Cooperation, July 20, 1925, p. 307.)

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NEW YORK PURCHASING ASSOCIATION HAS SUBSTANTIAL SURPLUS

Up to June 30, 1922, the Cooperative Grange League Federation Exchange, Inc., Ithaca, N. Y., had lost \$92,658. Since that date the organization has earned \$177,552, making the net earnings of the organization, \$84,894. On December 31, 1925, there was \$737,116 of share capital outstanding. Its Syracuse Warehouse and its Buffalo feed mill and its other warehouses and warehouse equipment were carried on the books at \$385,729 after having been subjected to heavy deductions for depreciation. Merchandise on hand December 31 was inventoried at \$492,521. The surplus on that date was \$38,900.

(See Agricultural Cooperation, November 23, 1925, p. 489.)

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BUSINESS SERVICE ON A COOPERATIVE BASIS BY ILLINOIS ASSOCIATION

During 1925 the Illinois Agricultural Cooperatives Association, Chicago, made 189 examinations or audits of farmers' enterprises. Audits were made of 80 elevators, 56 farm bureaus, 18 livestock shipping associations, 14 livestock commission associations, 5 dairy companies and 16 other enterprises. The total charge for the 189 examinations and \$23,494. In the case of the 80 farmers' elevators the total charge was \$12,323, or an average of \$154 an elevator. The cost of the audits for the 56 farm bureaus was \$4,613, or \$82 an organization.

The association is a non-stock, non-profit cooperative enterprises with 185 members who have signed a three-year contract for financial business service, including auditing, analysis of business methods, preparation of tax statements, etc.

The association began operating June 1, 1924, and during the first seven months of its existence made 60 examinations. In addition to its central office in Chicago, it maintains district offices at Springfield, Galesburg and Champaign.

MICHIGAN STATE COLLEGE HOLDS SCHOOL OF COOPERATION

A "School of Cooperation" was a part of the Farmers' Week program at the Michigan State College, East Lansing, the first week in February. The school consisted of one session a day for four days. Among the subjects considered, were: The aim and scope of cooperation, membership problems, local problems, and sales methods. Prominent speakers were assigned to conduct the sessions, and opportunities were given for discussion.

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COOPERATIVE MARKETING DISCUSSED AT NEW JERSEY COLLEGE INSTITUTE

Six lectures on cooperation were a feature of the one-week Institute in Marketing held at the New Jersey State College of Agriculture, New Brunswick, January 25 to 30, for the benefit of "farmers or anyone else interested in securing up-to-date information concerning the principles and practices of marketing farm produce." The following phases of the subject were taken up: Fundamentals of cooperative marketing; commodity organization and financing cooperatives, membership responsibilities in a cooperative, cooperation in Denmark, managing a cooperative.

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WISCONSIN HOLDING SERIES OF MARKETING CONFERENCES

An educational program being carried out in Wisconsin this winter under the direction of the Superintendent of Farmers' Institutes, has some distinctive features. Twelve cooperative marketing institutes of three days each, are scheduled for twelve points. Each conference is devoted to one commodity, the major product of the community where the conference is being held, with emphasis on the relationships of orderly marketing, quality products and efficient production. The twelve meetings include two in the American cheese districts, three in the foreign cheese districts, three in poultry and egg districts, and four in butter-producing districts.

The superintendent states that this is purely educational work, showing some of the things which must be done if cooperative enterprises are to succeed. The leader thinks that, "When the people know that cooperation means doing certain things, then they will not think that it is a grand crusade which they are joining and be disappointed when they come to see that something is not going to be done for them."

The first institute was attended by representatives of 44 cheese factories, covering an area some 60 miles across. At the next two institutes, 43 and 29 factories were represented, and the first creamery institute was attended by representatives of 11 factories.

NEW LIST OF HOUSE ORGANS AVAILABLE

The List of Publications issued by Farmers' Business Organizations has been revised to February 1, 1926, and is now available for distribution. Eighty-seven publications are listed in the revision, the dairy products group leading in point of numbers with 24. The number in each commodity group is as follows: Beans, 1; broomcorn, 1; cotton, 9; dairy products, 24; fruit, 11; grain, 11; livestock, 4; nuts, 3; peanuts, 2; potatoes, 3; poultry products, 5; rice, 1; tobacco, 5; watermelons, 1; wool, 2; miscellaneous, 4.

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A STUDY OF AGRICULTURAL POOLS

An article of 54 pages, entitled "Agricultural Pools in Relation to Regulating the Movement and Price of Commodities," by Dr. William R. Camp, is published in the Proceedings of the Academy of Political Science, January, 1926.

The increasingly large quantities of agricultural products being handled through pools calls for consideration of the subject and the writer states: "This article will give a critical examination of the agricultural pool, to differentiate it from the manufacturers' pool, to show its evolution and precise nature as it has been applied to different farm products, its relation to the processes of distribution and of banking, and its limitations in regulating the flow of products to different markets, in stabilizing prices, in coordinating the changes of cost and selling prices, and in maintaining a balance between the grower-seller and the manufacturer-buyer of farm products."

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BULLETIN ON MANAGEMENT PROBLEMS OF FARMERS' ELEVATORS

"Management Problems of Farmers' Elevators" is the title of a new bulletin by H. Bruce Price and Charles M. Arthur, published by the University of Minnesota Agricultural Experiment Station in cooperation with the U. S. Department of Agriculture. The purpose of the bulletin is "to discuss the practices of farmers' elevators and to point out the elements of strength and weakness in farmer elevator operation." The period studied was from 1917 to 1924 and data for the study were secured from the annual audits of more than one hundred elevator companies, from commission merchants, and from interviews with elevator managers. The subject matter is discussed under the following main headings: The manager; cost of operation; hedging; storing for farmers; selling; competition; grades; dockages and weights; capital requirements; financial organization; buying policies; cleaning; insurance; sidelines; elevator accounts. Numerous tables and illustrations are introduced in the text.

BULLETINS, REPORTS AND ADDRESSES AVAILABLE FOR DISTRIBUTION

Copies of the following publications dealing with various phases of agricultural cooperation may be had on request to the Division of Agricultural Cooperation, Bureau of Agricultural Economics, Washington, D. C.

Department BulletinsNumber

1095. Producers' Cooperative Milk Distributing Plants. O. B. Jesness et al. 1922.
1106. Legal Phases of Cooperative Associations. L. S. Hulbert. 1923.
1109. Sales Methods and Policies of a Growers' National Marketing Agency. Asher Hobson. 1923.
1237. Organization and Development of a Cooperative Citrus-Fruit Marketing Agency. A. W. McKay and W. Mackenzie Stevens. 1924.
1261. Operating Methods and Expenses of Cooperative Citrus-Fruit Marketing Agencies. A. W. McKay and W. Mackenzie Stevens. 1924.
1266. Agricultural Cooperation in Denmark. Chris L. Christensen. 1924.
1302. Development and Present Status of Farmers' Cooperative Business Organizations. R. H. Elsworth. 1925.
1392. Cooperative Marketing of Cotton. George O. Catlin. 1926.

Farmers' Bulletins

1292. Organization and Management of Cooperative Livestock Shipping Associations. 1926.

Miscellaneous Circulars

11. Agricultural Cooperation: A Selected and Annotated Reading List. Compiled by Chastina Gardner. 1923.

Mimeographed Reports, Circulars, Addresses, etc.

Cooperation and the Federal Government. William M. Jardine, Secretary of Agriculture. November, 1925.

Cooperative Marketing, an Important Part of the Farmer's Business. Thomas P. Cooper, Chief, Bureau of Agricultural Economics. 1926.

The Significance of the Cooperative Movement in the United States. H. C. Taylor. 1925.

- Development and Growth of Cooperative Marketing in the United States.
Lloyd S. Tenny, Assistant Chief, Bureau of Agricultural Economics.
- Fundamentals of Cooperative Marketing. Lloyd S. Tenny.
- Principles and Progress of Cooperative Marketing. Lloyd S. Tenny.
- Strength and Weakness of Cooperative Commodity Marketing. Lloyd S. Tenny.
- Historical and Interpretative View of Cooperation in the United States.
Lloyd S. Tenny.
- Volume of Business by Livestock Shipping Associations. 1923.
- Livestock Marketing Associations in the United States. 1924.
- Cooperative Marketing of Eggs and Poultry. 1924.
- Cooperative Marketing of Wool. 1922-24.
- Cooperative Marketing of Milk and Cream. 1924.
- Publications issued by Farmers' Business Organizations. 1926.
- Summary of Cases and Decisions on Legal Phases of Cooperation.
Sections 1, 2 and 3.

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SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Cassau, Dr. Theodor. The Consumers' Cooperative Movement in Germany.
Translated from the German by J. F. Mills. London. T. Fisher
Unwin, Limited. 1925. 201 pp.
The translator states that in addition to being a description
of the movement this work is also a sociological study.
- Rubinow, S. G. What Kills Cooperation: Burned Spuds in Maine and
Minnesota Tell the Reasons for Failure. In Country Gentleman,
February, 1926. p. 19.
- Fenn, Donald F. Bootlegging Tobacco: A Play of Farm Life in the
Tobacco Belt of Virginia. Hammon Institute Press. 1925. 42 pp.
A play in four acts, with instructions for production.
- Dairymen's League Cooperative Association, Inc. Story of the Year
1924-25. New York. 1926. 44 pp, illus.
- Franklin Cooperative Creamery Association. Year Book, 1924-25.
Minneapolis. 1926. 58 pp., illus.

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